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2	CLAIMS
3	What is claimed is:
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5	1. A method for creating and valuing financial instruments based upon real estate indices which
6	compile real estate price information for localities, cities, regions, states, nations, or
7	multinational / international areas.
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9	2. The method of claim 1, where the future value of the financial instrument is calculated by
10	inputting historical real estate index information and / or predicted future real estate index
11	information and / or financial information, interest rate(s), currency denomination(s), and start
12	date and date of expiry of each contract into a pricing model including but not limited to
13	trinomial, binomial, Monte Carlo simulation, or Black-Scholes model.
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15	3. The method of claim 2, wherein the financial instrument may be comprised of multiple
16	financial instruments involving at least one financial instrument based upon a real estate index or
17	indices, or is based upon multiple real estate indices, including but not limited to asset-backed
18	securities, basket options, chooser options, option chains, or rainbow options.
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20	4. A method for disseminating information for a financial instrument related to at least one real
21	estate index, comprising the steps of:
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23	a. quoting prices, historical real estate index information, predicted future real estate index
24	information, and / or metrics (e.g. prices, open interest, 90-day volatility) on contracts of a real
25	estate index linked financial instrument;
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27	b. using an information distribution medium, either physical or electronic, to disseminate the
28	information of claim a. to users of this information.
29	
30	5. A computer-implemented method for creating and valuing a financial instrument based upon
31	real estate indices which compile real estate price information for localities, cities, regions,

states, nations, or multinational / international areas. 1 2 6. The method of claim 5, where the future value of the financial instrument is calculated by 3 inputting historical real estate index information and / or predicted future real estate index 4 information and / or financial information, interest rate(s), currency denomination(s), and start 5 6 date and date of expiry of each contract into a pricing model including but not limited to 7 trinomial, binomial, Monte Carlo simulation, or Black-Scholes model. 8 9 7. The method of claim 6, wherein the financial instrument may be comprised of multiple financial instruments involving at least one financial instrument based upon a real estate index or 10 indices, or is based upon multiple real estate indices, including but not limited to asset-backed 11 12 securities, basket options, chooser options, option chains, or rainbow options. 13 8. A computer-implemented method for determining the volatility of financial instruments based 14 15 upon real estate indices which compile real estate price information for localities, cities, regions, 16 states, nations, or multinational / international areas. 17 18 9. The method of claim 8, where the volatility of the financial instrument is calculated by 19 inputting historical real estate index information and / or predicted future real estate index 20 information and / or financial information, interest rate(s), currency denomination(s), and start 21 date and date of expiry of each contract into a pricing model including but not limited to 22 trinomial, binomial, Monte Carlo simulation, or Black-Scholes model. 23 24 10. The method of claim 9, wherein the financial instrument may be comprised of multiple 25 financial instruments involving at least one financial instrument based upon a real estate index or 26 indices, or is based upon multiple real estate indices, including but not limited to asset-backed 27 securities, basket options, chooser options, option chains, or rainbow options. 28 29 11. A computer system for creating and valuing a financial instrument based upon real estate

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indices which compile real estate price information for localities, cities, regions, states, nations,

or multinational / international areas, comprising:

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i 1 a. a computer connected to a real estate index history database and / or a real estate predicted 2 future index database and / or financial database that creates and values a financial instrument 3 under conditions where the future value of the financial instrument is calculated by inputting 4 historical real estate index information and / or predicted future real estate index information and 5 / or financial information, interest rate(s), currency denomination(s), and start date and date of 6 expiry of each contract into a pricing model including but not limited to trinomial, binomial, 7 8 Monte Carlo simulation, or Black-Scholes model. 9 b, at least one workstation that allows a user to specify inputs that affect the value of the 10 11 financial instrument. 12 12. A computer program product comprising a computer-usable medium having control logic 13 stored therein for causing a computer to perform valuation of real estate index linked financial 14 15 instruments, the control logic comprising: 16 a. a computer readable program code means that causes the computer to create and value a 17 financial instrument based upon indices which compile real estate price information for 18 localities, cities, regions, states, nations, or multinational / international areas. 19 20 b. a computer readable program code means for valuing a financial instrument based upon real 21 estate indices by inputting historical real estate index information and / or predicted future real 22 23 estate index information and / or financial information, interest rate(s), currency denomination(s), start date and date of expiry of each contract, and / or cost of the financial 24 instrument into a pricing model including but not limited to trinomial, binomial, Monte Carlo 25 26 simulation, or Black-Scholes model. 27 c. the method of claim b., where the future value of the financial instrument is a defined currency 28 amount and the initial value is calculated by utilizing computer readable program code for 29 applying a pricing model using historical real estate index information and / or predicted future 30

- 1 real estate index information and / or financial information, interest rate(s), currency
- denomination(s), and start date and date of expiry of each contract.